Inflation Rate

1289 SHRI AMAR PAL SINGH
PROF. OMPAL SINGH NIDAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the wide difference in inflation rates based on the wholesale prices index and the consumer price index particularly since the third quarter of financial year 1995-96;

(b) if so, the details thereof;

(c) the reasons if any identified therefor; and

(d) the corrective measures taken or proposed to be taken by the Government in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). The inflation rate based on Wholesale Price Index (WPI) and the Consumer Price Index for Industrial Workers (CPI-IW) for the third quarter of 1995-96 is listed in the Table below.

Table

Annual Inflation Rate

1995-96	Based on WPI	Based on CPI-IW
October	8.4	10.4
November	8.3	10.3
December	6.4	9.7
January	5.0	9.0
February	4.6	8.6
March	5.1	8.9
1996-97		
April	5.0	9.6
May	4.5	9.3
June	4.5	8.8
July	6.0	8.3
August	5.6	8.9
September	6.4(P)	8.5
October	6.4(P)	N.A.

(P=Provisional)

(c) The difference in the inflation rate between the two series is primarily due to the difference in their commodity composition and hence their weights. The weight of the food items in the CPI-IW is almost twice that in the WPI; as against a weight of 32 assigned to food items in WPI, the weight given to food items in CPI-IW is 57. Hence higher rise in the price of food products relative to non-food products has resulted in a higher inflation rate based on the CPI-IW.

(d) The supply-side measures taken by the Government to moderate the rise in prices of food item include the continued open market sale of foodgrains by the FCI besides strengthening and expanding the coverage through PDS. On demand side, Government is striving to contain fiscal deficit in the budget for 1996-97 to 5% of GDP and to contain monetary growth to 15.5-16% through prudent monetary policy.

Import of Ammonia

1290. SHRI KODIKKUNNIL SURESH : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have taken any decision for import of Ammonia;

(b) if so, the details thereof and the price fixed for this item;

(c) the impact on domestic price of ammonia due to import of ammonia;

(d) whether the Government have received any representation from the Kerala against the import of ammonia;

(e) if so, the details thereof; and

(f) the reaction of the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). As per information received from Ministry of Chemicals & Fertilisers, Government does not import ammonia since it was decanalised w.e.f. 1.4.1992.

(c) Information relating to impact on domestic price of ammonia due to import of ammonia is not maintained by the Ministry of Commerce.

(d) to (f). As per information received from the Ministry of Chemicals & Fertilisers, though no representation has been received from the Government of Kerala against import of ammonia, a Civil Appeal is pending before the Supreme Court titled "FACT & Others versus Law Society of India & others" on the issue of environmental threat posed by ammonia storage facility of FACT at Willingdon Island in Cochin Port.

Production of Vehicle

1291. SHRIMATI VASUNDHARA RAJE : Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government have urged the Indian Automobile Units to produce vehicles in which consumption of Oil is less;

(b) if so, the details thereof; and

(c) the steps taken by different automobile manufacturer to produce such vehicles?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). It has been the policy of the Government to encourage manufacture of fuel efficient